

(This is the first in a series of three articles about the process of maintaining rental trust account records. The subjects are "Deposit Cycle", "Disbursement Cycle" and "Monthly Reconciliation".)

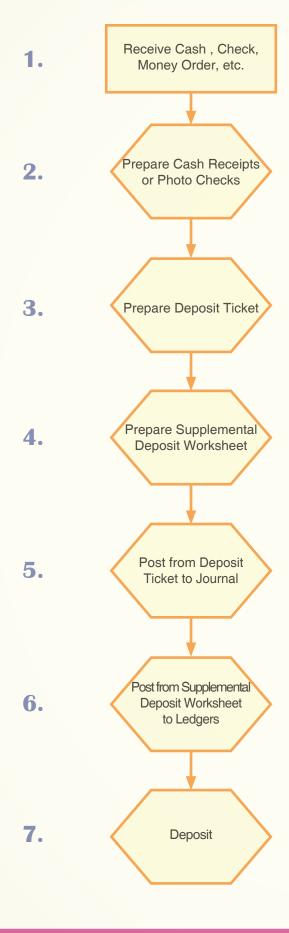
o the right is a ow chart detailing the six steps in recording the receipt of trust money. The numbers by the chart correspond to those by the examples of forms on the facing page. Following is an explanation of each step:

- The first step is the receipt by your brokerage firm of a check, money order, cash or other negotiable instrument.
- Prepare a cash receipt for all cash received. Photocopy all checks received and maintain these copies with deposit tickets.
- Prepare a Deposit Ticket for your bank (and keep a copy of a bankvalidated deposit ticket in your trust account files).
- 4. Prepare a Supplemental Deposit Ticket detailing the remitter/tenant, property, purpose and amount. Balance cash receipts and check copies with the Deposit Ticket and Supplemental Deposit Ticket.
- 5. Post the date, amount of funds deposited and reference the Deposit Ticket on the Journal.
- **6.** Record the details of the transaction on the appropriate ledger.
- 7. Deposit within three banking days following receipt (earnest money and tenant security deposits three banking days following acceptance of the Offer to Purchase or Lease.

Rental Trust Account

Deposit Cycle

First of a three-part series



1. Receive Trust Funds



2. Cash Receipt (or photocopy checks)

Your Realty Company Your address Anytown, NC 12345 Date_1/04/0X
Received ofBlake Stephens\$ 1,10000
The Sum ofEleven hundred & 00/100 DOLLARS
Memo 2500 Johnson St John Broker

3. Deposit Ticket

DEPOSIT TICKET						
DEFOSIT FICKET						
YOUR REALTY COMPANY, INC. TRUST ACCOUNT DATE						
	DOLLARS	CENTS				
CURRENCY SDW	\$2,300	00				
COINS						
CHECKS						
1.						
2.						
3.						
4.						
TOTAL	\$2,300	00				

4. Supplemental Deposit Worksheet

supp 			
REMITTER/BUYER/TENANT	PROPERTY	PURPOSE	AMOUNT
Clark	143 North Boulevard	Security Deposit	\$600.00
Clark	143 North Boulevard	Jan Rent	\$600.00
Stephens	2500 Johnson Street	Security Deposit	\$550.00
Stephens	2500 Johnson Street	Jan Rent	\$550.00
	TOTAL		\$2,300.00

5. Trust Account Journal

	TRUST ACC	COUNT	JC	URNAL		
	NC Insured Bas	rk A/C#	1	23-456-789	0	
	,					
DATE	DESCRIPTION	NUM		DEPOSITS	CHECKS	BALANCE
1/03/0X	DEPOSIT	OX -1 (A)		\$3,600.00		\$3,600.00
1/04/0X	DEPOSIT	0X-2		\$2,300.00		\$5,900.00
1/11/0X	Ajax-Plumbing - 143 N. Blvd Repairs	101			\$75.00	\$5,825.00
1/20/0X	Gerald Howard - 143 N. Blvd Net Jan Rent to Owner	102			\$465.00	\$5,360.00
1/21/0X	Your Realty Company, Inc. 1/0X Mgt Fees	103			\$115.00	\$5,245.00
1/22/0X	Jack Thomas - NSF - 1362 Main St	DM (B)			\$2,500.00	\$2,745.00
1/30/0X	F. Lee Bailey, Attorney 119 Maple Closing	104			\$1,000.00	\$1,745.00
1/31/0X	DEPOSIT	0X-3		\$2,500.00		\$4,245.00
1/31/0X	NC Insured Bank Check Printing Charges	DМ			\$25.00	\$4,220.00

6. Trust Account Ledger

NAME	NAME: Allan Ward, Owner Stephens, Tenant			ACCOUNT NO.		
ADDRESS: 2500 Johnson Street			SHEET NO.			
DAT	ſΈ	ITEMS		DEPOSITS	CHECKS	BALANCE
1/04	ОХ	Blake Stephens Security Deposit	0X-2	\$550.00		\$550.00
1/04	OX	Blake Stephens Jan Rent	0X-2	\$550.00		\$1100.00
1/21	ОX	Your Realty Co., Inc. Jan Management Fee	103		\$55.00	\$1,045.00